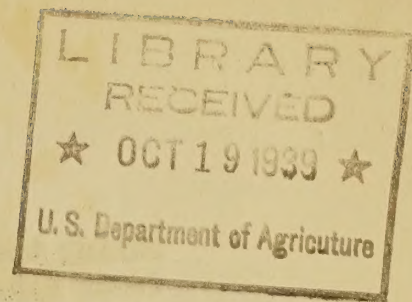


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ON THE CONSUMER FRONT



Donald E. Montgomery's report on the food situation, presented on the radio program of the General Federation of Women's Clubs, on October 3, 1939, at 1:45 P.M., over the Red Network of the National Broadcasting Company, Washington, D. C.

Here are three things wise consumers will remember about foods.

First:

Food costs in this country have been low. Low compared with prices we've been paying for the last four years. Low compared with the cost of manufactured goods.

Put that down in your memory as point No. 1.

Second:

Some increase in food costs would have occurred this fall . . . war or no war. Prices in general were on the upgrade. Food prices usually do edge up a little in the fall and winter.

That is not to say that you shouldn't be on your guard against higher food prices, because . . . and this is point three . . . because food supplies for the coming year are going to be equal to or larger than supplies in recent years. That's tremendously important . . . it should keep food costs from getting out of reach and ought to discourage profiteering along the way.

Those are three points to remember. Take them along when you go shopping.

Now let's look at what's happened to some food prices in the first month of War No. 2.

During the first two weeks, staple foods shot up. By staple foods, I mean sugar, and flour, lard, pork chops, and navy beans.

During the next two weeks in September, prices of these foods either stood still or dropped off a little.

Sugar prices shot up for two reasons: first, there was speculation and then consumers rushed in. When the President removed all marketing restrictions on sugar, prices stopped in their tracks. Up to last week, retail prices of sugar held firm, but already the wholesale price has started to go down. There's plenty of sugar.

Now for lard.

Lard went up early in September — two cents a pound in some places, as much as five cents in others. But during the last two weeks wholesale prices have begun to go down.

Navy beans, too, went up — as much as two-and-a-half cents a pound in some places. But again wholesale prices have dropped in the last 2 weeks.

Fresh pork prices often go up during the summer months, and especially in September. That is what happened this year. In October, larger supplies of pork start coming to market. By the end of September the wholesale price of pork loins had already dropped below the August level. Retail prices of pork chops have also been dropping off recently.

Let's look, now, at bread and flour.

Back of the prices for these foods is a tremendous supply of wheat . . . the biggest, except for last year, since 1932. World wheat supplies are the largest on record. Wholesale prices of flour, nevertheless, have stepped up about half a cent a pound. Retail prices of flour have also edged up a little, but apparently in most places less than half a cent.

How about bread?

So far, the price of a pound loaf of white bread hasn't changed much. There doesn't seem to be any reason why it should. Some bakers may be paying, oh! a \$1 more for a barrel of flour, but one barrel of flour will make 300 pound loaves. That adds only a third of a cent to the cost of a pound loaf of bread. Bakers' margins have been fairly wide this year . . . wider than usual and the big bakers made good profits in the first half of the year.

So much for the news I can bring you. But there are things you can find out for yourselves. You can shop around to see whether other merchants are charging the same as your merchant. You can watch for reports on prices in other cities. When your prices seem out of line with others, you can take this up with your local consumer organizations, tell your mayor about it or go talk it over with trade leaders in your community.

I look forward to reporting to you again next week. Meanwhile, if you have any special consumer questions, I will try to answer them.

Consumers' Counsel Division
Agricultural Adjustment Administration
United States Department of Agriculture

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